



Vermont/New Hampshire

MULTI-FAMILY HOUSING NEWS

Spring 2005

NEW REGULATIONS

Effective February 24, 2005, the requirements of 7 CFR 3560 went into effect. Along with the regulations three new Handbooks were developed. They are:

- 1) MFH Loan Origination Handbook
- 2) Asset Management Handbook
- 3) MFH Loan Servicing Handbook

Most of the requirements you deal with daily are in the Asset Management Handbook. **These handbooks are only guidance; the actual regulations are in 7 CFR 3560 which is an Appendix to each of the above mentioned handbooks.**

We suggest, at a minimum, that you become familiar with 7 CFR 3560 and the information in the Asset Management Handbook. A copy of the 3560 regulations and the handbooks can be obtained through the following website: <http://www.rurdev.usda.gov/regs/>

Please feel free to contact the Rural Development field staff if you have questions.

TRAINING

Spectrum Seminars will be providing training on 7 CFR 3560 on July 12, 2005 in Burlington, Vermont and July 13, 2005 in Manchester, NH. MFH RD Staff will be at these trainings. We strongly encourage all owners and managers to attend this critical training offered by Spectrum Seminars. Please take the time to review the course listings at: <http://www.spectrumseminars.com> or contact them at (207) 767-8000 for more information.

WAIVERS OF AGE INELIGIBLE TENANTS

With the issuance of the new 3560 regulations, we are no longer able to issue waivers for age ineligible tenants to reside in an elderly complex. If you currently have an age ineligible tenant residing in your complex, they may stay until their lease expires. After that time, that tenant must vacate the complex.

TENANT GRIEVANCE PROCEDURE

Rural Development Instruction 1940-L "Tenant Grievance and Appeals Procedure" is obsolete. It has been replaced by 7 CFR 3560.160. It is mandatory that every borrower and/or management agent provide a copy to all existing tenants, and post the new regulation in their rental office and at the project. Agency staff will be spot checking this when visiting projects.

UNUSED RENTAL ASSISTANCE

Unused Rental Assistance is one of the top concerns of the Agency. The National Office is looking at different ways to recapture unused Rental Assistance to be used throughout the Nation. Therefore, there is the potential that RA may be lost in VT/NH. We ask that you please review the projects that have unused RA to be sure that all units that can be assigned have been assigned. Over the next several months you may be called by an RD employee to discuss RA that has been unused for 6 months or more.

IT IS NOW REQUIRED THAT THE FOLLOWING ITEMS BE POSTED AT YOUR PROPERTIES:

- Affirmative Fair Housing Marketing Plan
- 7 CFR 3560.160, Tenant Grievances
- "And Justice for All Poster (rev. 3/98)
- Equal Housing Opportunity Poster (rev. 8/93)
- Project Occupancy Rules
- Office Hours, if applicable
- Emergency hours

UNAUTHORIZED ASSISTANCE

The new regulations state that the borrower is no longer responsible for collection of unauthorized assistance when a tenant vacates the unit provided that the borrower notifies RD of the tenant's move and transfers all records related to the tenant's unauthorized assistance to RD within 30 days of the tenant's move.

In order for Rural Development to take over collection of the unauthorized assistance through the Treasury Offset Program (TOP), we must verify the calculations completed by the borrower/management agent. Therefore, once the tenant has vacated, please send the following to the appropriate field staff for further review:

- Vacate date
- Copy of verification of income(s)
- Copy of calculations where unauthorized assistance was computed
- Any documentation of contact by the tenant or management agent regarding the potential/ identification/ repayment of unauthorized assistance

Further information on unauthorized assistance can be found in 7CFR 3560, Subpart O.

PAYMENT CENTER HIGHLIGHTS

LATE FEES FOR CERTIFICATIONS

For those of you that are sending tenant transactions through the mail. Effective May 1, any tenant transaction received after the 10th of the month will be considered late. RA will not be provided for those certifications and overage will be charged when appropriate. For example, RD received a tenant certification on May 11 with an effective date of May 1. RA will not be provided for this tenant and overage will be charged when appropriate.

For those of you that are transmitting on MINC. A notice will be displayed when sending in tenant certifications, using the MINC Fill-a-Form pages, after the 10th of the month. As of May 1, any tenant certifications received after the 10th of the month will be considered late. RA will not be provided for those certifications and overage will be charged when appropriate. For example, RD received a tenant certification transmission on May 11 with an effective date of May 1. RA will not be provided for this tenant and overage will be charged when appropriate.

Each time you attempt to transmit, you will also receive a "Manual Information Transfer Confirmation Page", but this does not mean the transaction was accepted. You will receive a "Borrower Tenant Mail Listing" as a message that RD has received and accepted the transaction. This provides you with two methods of notification, prior to receiving your project worksheet, that your transmissions were successfully received. If you request a waiver of any overage charges you will need to have a copy of these screen prints for the transaction in question. If a Tenant Certification or Recertification is rejected, you must transmit the correction by the 10th of the month or overage will be assessed.

Zero Income Tenants

It is the policy of Rural Development not to accept a tenant certification for an applicant or tenant with zero income unless all income is specifically exempted. This must be documented on the "Zero Income Verification Checklist" Attachment 6-B, from the Asset Management Handbook. In cases where applicants or tenants are claiming they have no household income, nor can they anticipate any income, it will be necessary for them to demonstrate their financial capability to meet other basic living expenses as well as the rental charge on this Checklist.

ARE YOU SURE YOUR PAYMENT TRANSMITTED THROUGH MINC?

Be sure to print out the "Payment Request Confirmation Page" in MINC and retain a copy for each payment as proof your payment was transmitted by the due date. Be sure to go in the next day and check that it says **approved** next to that month's worksheet.

Anyone submitting payments through PAD (Preauthorized Debit) or credited through EFT (Electronic Funds Transfer), if an RA check is due, must be aware that it takes two business days to process. For example, if a payment is approved in MINC on June 9th (Thursday), it would not credit until June 13th (Monday). This payment would be considered late, and a Late Fee would be charged.

PASSWORD RESET

MINC users can reset their own Management Agent and MA User passwords. The steps to reset passwords can be found on the USDA Rural Development website under the Multi Family Housing Program Information Page link or on the MINC website.

GREAT NEWS!

Many of our borrowers have asked for a review of tenant information prior to release of the project worksheets. You will now have the ability to "View" one future month's project worksheet in the MINC program. These worksheets are provided to allow you to determine early if the certified tenant information is correct; unit assigned, number of members in the household, initial certification dates, certification expiration date, rents, tenant subsidy, etc. The worksheets are located at the bottom of the page in MINC where all the project worksheets for a particular project are displayed. The MINC training handbook has been modified to reflect these changes and a few other changes that everyone is encouraged to review.

Applications for Occupancy

Be sure to obtain a valid Social Security number for all prospective tenants and co-tenants in the household. Please review section 6.18 of the new Asset Management Handbook for minimum requirements for a tenant application.

We have received guidance from our National Office Civil Rights Staff on the collection of race/ethnicity data. This information is required on the application for occupancy. Borrowers and recipients of RD's federally financed assisted programs must comply with RD's Civil Rights data collection requirements. There are no exceptions to the regulations for projects that receive HUD Section 8 financing.